

# Exhibit C

DEC 20 2022

COMMONWEALTH OF THE BAHAMAS  
IN THE MAGISTRATES' COURT  
CRIMINAL DIVISION

2022 No.

IN THE MATTER of a request by The United States of America for the  
extradition of Samuel Bankman-Fried

And

IN THE MATTER of the Extradition Treaty between the Government of the  
Commonwealth of The Bahamas and the Government of The United States of  
America

And

IN THE MATTER of the Extradition Act, ch 96 The Statute Law of The Bahamas

Between

The United States of America

Applicant

And

Samuel Bankman-Fried

Fugitive

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A F F I D A V I T

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I, Samuel Bankman-Fried, currently an inmate of the Department of Correctional services, situate in the Eastern District of the Island of New Providence, one of the Islands of the Commonwealth of The Bahamas, Business Executive and Entrepreneur, MAKE OATH, and say as follows:

1. That on 12<sup>th</sup> December 2022 while in The Bahamas I was arrested by officers of the Royal Bahamas Police Force, such arrest being pursuant to a provisional warrant of arrest.

2. That on 13<sup>th</sup> December 2022 I was taken to Magistrates' Court Number 9, Nassau Streets Courts where I appeared before Chief Magistrate Joyann Ferguson-Pratt. While there I was informed by the said Chief Magistrate that I was there in relation to extradition proceedings. Further, while there, Counsel for the Applicant disclosed to my counsel the Affidavit of Cordell F. Frazier, same having been filed herein on 13<sup>th</sup> December 2022. Exhibited to the said Affidavit were a Diplomatic Note, and an arrest warrant, marked respectively, as "exhibit CFF1" and "exhibit CFF2". Attached and exhibited hereto as "SBF1", and "SBF2" are, respectively, the said Diplomatic Note, and arrest warrant.
3. That:
  - (1) having considered the charges set out in the said Diplomatic Note and arrest warrant,
  - (2) and having considered the Rule of Speciality set out in article 14 of the extradition treaty between the Government of the Commonwealth of The Bahamas and the Government of The United States of America,
  - (3) and having a desire to make the relevant customers whole,
  - (4) and having been informed by the said Chief Magistrate of my right to formal extradition proceedings under the Extradition Act (ch 96 The Statute Law of The Bahamas),
  - (5) and being aware of my right to be extradited without formal extradition proceedings,

I hereby consent, in writing, to be extradited without formal extradition proceedings – such extradition being to The United States of America.

4. That the purpose for which this Affidavit is sworn is to set out my consent to being extradited without formal extradition proceedings.
5. That the contents of this Affidavit are true and correct to the best of my knowledge, information, and belief.

Sworn to at Nassau, Bahamas )

the 20<sup>th</sup> day of December 2022 )

  
Samuel Bankman-Fried.

Before me,

  
K. Clements  
Notary Public.

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C E R T I F I C A T E

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This is to confirm that these are the exhibits which are referred to as "SBF1" and  
"SBF2" in the Affidavit of Samuel Bankman-Fried.

Dated the 20<sup>th</sup> day of December 2022.

  
Notary Public.

"Exhibit CFF1"  
"SBFI"



No. 194/22

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Commonwealth of The Bahamas and has the honor to request the provisional arrest for extradition purposes of Samuel BANKMAN-FRIED, aka "SBF," pursuant to the Extradition Treaty between the United States of America and the Government of the Commonwealth of the Bahamas, signed on March 9, 1990 (the "Treaty").

BANKMAN-FRIED is wanted for trial in the United States on wire fraud and related offenses.

BANKMAN-FRIED is charged by Indictment in case number 22 Cr. 673, filed on December 9, 2022, in the United States District Court for the Southern District of New York, with the following charges:

- Two counts of wire fraud (in violation of, Title 18, United States Code, Section 1343 and 2);
- Two counts of conspiracy to commit wire fraud (in violation of, Title 18, United States Code, Section 1349);
- One count of conspiracy to commit commodities fraud (in violation of, Title 18, United States Code, Section 371);

- One count of conspiracy to commit securities fraud (in violation of, Title 18, United States Code, Section 371);
- One count of money laundering conspiracy (in violation of, Title 18, United States Code, Section 1956(h); and
- One count of conspiracy to defraud the United States (in violation of, Title 18, United States Code, Section 371).

Based on the charges in the Indictment, on December 9, 2022, the United States District Court for the Southern District of New York issued a warrant for the arrest of BANKMAN-FRIED. This arrest warrant remains valid and executable to apprehend BANKMAN-FRIED to stand trial for the crimes charged in the Indictment.

The facts underlying the conviction are as follows:

A coordinated law enforcement investigation has revealed that BANKMAN-FRIED masterminded the misappropriation of billions of dollars in customer assets from the cryptocurrency exchanges that he operated, FTX.com and FTX.us (hereinafter referred to collectively as "FTX"), and the use and transfer of those misappropriated funds to a hedge fund owned by BANKMAN-FRIED called Alameda Research ("Alameda").

In early November 2022, a series of events – beginning with the leaking of Alameda's balance sheet – set off a surge of customer withdrawals from FTX.com that ultimately revealed that FTX.com lacked sufficient assets to meet customer withdrawals. BANKMAN-FRIED ultimately acknowledged that FTX.com had a shortfall in its balance sheet of approximately \$8 billion, but he denied knowingly misusing customer funds, and characterized this shortfall as a mistake caused by sloppy accounting and poor oversight.

The investigation has revealed that contrary to representations to equity investors in FTX and retail customers of FTX, BANKMAN-FRIED afforded Alameda certain special treatment on FTX.com; knew that Alameda was misusing customer assets; and knew that as a result of substantial losses suffered by Alameda, FTX had an approximately \$8 billion shortfall in funds. In other words, BANKMAN-FRIED knew that FTX had approximately \$8 billion less in funds than it outwardly appeared to have and which BANKMAN-FRIED caused it to represent it had.

The evidence against BANKMAN-FRIED includes, among other things, cryptocurrency trading records, bank records, wire transfer records, electronic communications between BANKMAN-FRIED and his co-conspirators, and the testimony of cooperating witnesses who were themselves participants in the charged conduct and worked closely with BANKMAN-FRIED to carry it out. Cooperating witnesses debriefed by U.S. law enforcement agents have photographically identified BANKMAN-FRIED as a person with whom they conspired to commit these offenses.

The Government has additionally investigated the activity of two high-level executives at FTX ("CC-1" and "CC-2") and a high-level executive at Alameda ("CC-3"). Both CC-1 and CC-2 were software developers at FTX who worked on the software code for FTX. As coders for FTX.com, CC-1 and CC-2 were aware that Alameda was afforded special treatment on FTX.com and implemented features into FTX.com's software code at the direction of BANKMAN-FRIED. For example, BANKMAN-FRIED directed CC-1 to create an "allow negative flag balance" for Alameda on FTX.com. This meant that unlike other traders on the public exchange, and contrary to representations regarding a lack of special treatment for any entity trading on FTX, Alameda was able to accrue a negative balance on the exchange. Over time, BANKMAN-FRIED directed CC-1 to increase the size of Alameda's "allow negative flag balance," such that Alameda was permitted to accrue a negative balance in the billions of dollars. Similarly, in or about 2019, BANKMAN-FRIED directed CC-1 to alter the software code such that Alameda was afforded a large line of credit on FTX.com, which permitted Alameda to place orders on FTX.com in excess of the collateral Alameda posted on the exchange. In effect, Alameda was able to borrow, take, and use FTX and FTX customer funds without the knowledge of others, including FTX customers and investors.

In or about 2020, CC-1 ran a query in FTX's database and learned that Alameda had a negative balance on FTX.com of approximately hundreds of millions of dollars. The amount exceeded what CC-1 understood to be FTX's revenue, which led CC-1 to conclude that Alameda was inappropriately using FTX.com customer funds. CC-1 asked BANKMAN-FRIED about this issue, and BANKMAN-FRIED responded, in substance and in part, that it was okay because loans to Alameda were collateralized by FTX's token, FTT. This assurance, however, was

contrary to FTX.com's terms of service, which stated that "none of the Digital Assets in [a customer's] Account are property of, or shall or may be loaned to, FTX Trading" and "At any time ... [a customer] may withdraw [his or her] Digital Assets." Around the same time, during FTX's first audit, CC-3 had a conversation with BANKMAN-FRIED, in which CC-3 expressed discomfort with Alameda's continuing use of FTX customer funds and asked BANKMAN-FRIED if the auditors would raise concerns about that issue. BANKMAN-FRIED responded that auditors did not typically focus on such issues.

Beginning in or about the summer of 2022, CC-3 had discussions with BANKMAN-FRIED about Alameda's mounting debts, many of which had been called due to the downturn in the cryptocurrency market. In order to pay off the loans, which totaled nearly \$8 billion, CC-3 and BANKMAN-FRIED agreed to use (and did in fact use) contrary to the agreements with, and expectations of, customers billions of dollars in additional customer funds.

In or about September 2022, BANKMAN-FRIED discussed with CC-1, CC-2, and others whether to shut down Alameda in light of approximately \$5 billion in losses suffered by Alameda. BANKMAN-FRIED stated, in substance and in part, that \$5 billion was more than Alameda had made or would ever make, but expressed concerns about how FTX.com would function if Alameda was not trading on the exchange, or acting as a market maker for the exchange. Around this time, CC-1 indicated to CC-2 that Alameda was borrowing approximately \$13 billion from FTX. CC-2 was alarmed that it appeared that FTX had lost customer money; he met with BANKMAN-FRIED in person to express this concern. BANKMAN-FRIED acknowledged that the situation was causing him concern, resulting in

BANKMAN-FRIED being "5-10% less productive." BANKMAN-FRIED indicated that FTX.com could likely deliver about \$5 billion to customers, thereby clearly indicating that, since Alameda had already borrowed \$13 billion, there was an \$8 billion shortfall in FTX.com's balance sheet. BANKMAN-FRIED indicated that the situation could correct itself if they raised more equity, and cryptocurrency prices went up.

FTX.com's shortfall was confirmed on or about November 6, 2022, when FTX was experiencing a surge in customer withdrawals and BANKMAN-FRIED asked CC-1, in sum and substance, to calculate FTX's abilities to cover customer withdrawals, in the event all customers other than Alameda sought to withdraw their assets from FTX.com. CC-1's initial calculations indicated that FTX would be able to satisfy all customer withdrawals. BANKMAN-FRIED then indicated to CC-1, in substance and in part, that CC-1 had overlooked a separate, hidden account that included an approximately \$8 billion liability owed to FTX.com by Alameda. Once this account was included, FTX.com's balance sheet had an approximately \$8 billion shortfall.

Prosecutors have learned that the U.S. Securities and Exchange Commission and Commodities Futures Trading Commission are planning to publicly file claims against BANKMAN-FRIED in the coming weeks, relating to his involvement in some of the same conduct that forms the basis of the above-referenced indictment against BANKMAN-FRIED.

Prosecutors have further learned that the information contained in the complaints that the U.S. Securities and Exchange Commission and the Commodity Futures Trading Commission intend to file against BANKMAN-FRIED will reveal information that will make obvious to

BANKMAN-FRIED that certain of his co-conspirators are cooperating against him. Prosecutors also have reason to believe that, were BANKMAN-FRIED to learn he was under investigation by U.S. authorities, and therefore possibly also criminally charged, he would likely flee The Bahamas, and would also seek to destroy evidence.

Lawfully obtained documentary evidence and various witness interviews indicate that BANKMAN-FRIED personally accumulated billions of dollars from his involvement in the criminal conspiracy; thus, he has the means, and may soon have the motive, to flee The Bahamas.

Provisional arrest is covered by Article 10 of the Treaty. The charges against BANKMAN-FRIED are punishable under the laws of the United States by deprivation of liberty for a period of more than one year and are covered under Article 2 of Treaty. In addition, the U.S. statute of limitations for the charges against BANKMAN-FRIED is five years, and all charged offenses, which were indicted in December 2022, occurred within that timeframe. Therefore, the applicable statute of limitations does not bar prosecution of BANKMAN-FRIED for the offenses for which extradition will be sought post-arrest.

In accordance with Article 16 of the Extradition Treaty between the Government of the United States of America and the Government of the Commonwealth of The Bahamas, the United States requests the seizure of all articles, instruments, objects of value, documents, and

other evidence that may be related to the offenses for which extradition is sought, so that such items can be surrendered to U.S. authorities.

Please be assured that if BANKMAN-FRIED is provisionally arrested at the request of the United States, the United States will submit the supporting documents required under the Treaty within the time specified by the Treaty for a formal request for the extradition of **BANKMAN-FRIED**.

**BANKMAN-FRIED** is a citizen of the United States, born on March 5, 1992. He is approximately 5 feet, 7 inches tall and weighs approximately 211 pounds. He has brown eyes and brown hair. He presently resides in The Bahamas.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Commonwealth of The Bahamas the assurances of its highest consideration.

Embassy of the United States of America.

Nassau, December 10, 2022.



"Exhibit CFF 2"  
"SBF 2"

UNITED STATES DISTRICT COURT

for the

**Southern District of New York**

United States of America

v.

Samuel Bankman-Fried, a/k/a "SBF"

Case No.

22 CRIM 673

*Defendant*

**ARREST WARRANT**

To: Any authorized law enforcement officer

**YOU ARE COMMANDED** to arrest and bring before a United States magistrate judge without unnecessary delay  
(name of person to be arrested)      Samuel Bankman-Fried, a/k/a "SBF"

who is accused of an offense or violation based on the following document filed with the court:

Indictment       Superseding Indictment       Information       Superseding Information       Complaint  
 Probation Violation Petition       Supervised Release Violation Petition       Violation Notice       Order of the Court

This offense is briefly described as follows:

Title 18, United States Code, Sections 1349 (conspiracy to commit wire fraud on customers), 1343 and 2 (wire fraud on customers), 1349 (conspiracy to commit wire fraud on lenders), 1343 and 2 (wire fraud on lenders), 371 (conspiracy to commit commodities fraud), 371 (conspiracy to commit securities fraud), 1956(h) (conspiracy to commit money laundering), 371 (conspiracy to defraud the United States and violate the campaign finance laws)

Date: 12/09/2022

Issuing officer's signature

City and state: New York, New York

Hon. Valerie Figueiredo, U.S. Magistrate Judge

*Printed name and title*

## Return

This warrant was received on (date) \_\_\_\_\_, and the person was arrested on (date) \_\_\_\_\_  
at (city and state) \_\_\_\_\_.

Date: \_\_\_\_\_

*Arresting officer's signature*

*Printed name and title*

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Between

The United States of America Applicant

And

Samuel Bankman-Fried Fugitive

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2022 No.

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